

Handout for March 2020 Newsletter Housing Markets in FRED®

Purpose.

1. Create a plot of the U.S. national and 20-city composite home price indexes.
2. Change the graph's date range to show values since 2000.
3. Describe and discuss patterns in the evolution of the home price indexes over time.

Pedagogical Rationale. This assignment requires that you first look for data and plot them into a graph. Next, you will customize the graph by adding a series. Next, you will change the date range. Lastly, you will describe and discuss patterns in the evolution of the data series. These tasks will develop your proficiency in searching for, transforming, and interpreting data.

Grading. Your grade will be determined by (a) how precisely you complete the search and transformation data tasks and (b) how accurately you interpret the data.

Steps to Search for and Transform the Data.

1. Access <https://fred.stlouisfed.org/> and search for "S&P/Case-Shiller U.S. National Home Price Index (CSUSHPISA)."
2. Select "Index Jan 2000=100, Monthly, Seasonally Adjusted."
3. Click on EDIT GRAPH and select ADD LINE.
4. Search for "S&P/Case-Shiller 20-City Composite Home Price Index (SPCS20RSA), Index Jan 2000=100, Monthly, Seasonally Adjusted" and click on "Add."
5. Click on EDIT GRAPH and select FORMAT.
6. Under "LINE 1" select "Line style: dash" and "Width: 4."
7. Change the date range by typing "2000-01-01" as the start date of the graph.

Writing Prompts. Answer the following questions:

The S&P/Case-Shiller 20-City Composite Home Price Index measures the change in value of residential real estate in the 20 largest metropolitan areas of the U.S. The S&P/Case-Shiller U.S. National Home Price Index measures the change in value of residential real estate in all nine U.S. Census regions. Those nine regions include the aforementioned 20 largest metropolitan areas.

1. Between January 2000 and February 2007, where did home prices rise, on average, the fastest: in the whole of the U.S. or in the 20 largest metropolitan areas?
2. Between February 2007 and February 2009, where did home prices fall, on average, the fastest: in the whole of the U.S. or in the 20 largest metropolitan areas?
3. Recall that the national home price index is an average of home prices in large and small metropolitan areas, as well as in rural areas. Between February 2009 and the last available observation, are home prices in the 20 largest metropolitan areas growing faster, slower, or roughly at the same pace as in the rest of the country? Explain your answer.